

Master Seminar “Selected Topics in International Economic Policy”

General Information and Prerequisites

The seminar is intended for students of the Master Programme in Economic Policy (MEPS). Students are *strongly* advised to successfully pass the courses on “Economic Policy” before participating, however this is not a prerequisite.

To successfully pass the seminar, participants must write a seminar thesis, prepare and give a presentation of their thesis, and participate actively in the discussions during the seminar. Complete attendance throughout the seminar is mandatory, including all presentations and the introductory meeting. Grading will be based on the individual grades for the thesis, the presentation and the discussions. You can find hints for how to write a good seminar thesis, how to cite properly, and other formal requirements on the [chair’s homepage](#). **Strict adherence to these rules is expected, violations will result in a lower grade or failure.**

Application and Registration

Students who would like to participate in the seminar write an e-mail with the subject “*Seminar: International Economic Policy*” to LSHefeker@uni-siegen.de. The application must include the following:

1. Your matriculation number.
2. A set of your **five most preferred topics**, ranked highest to lowest preference. Alternatively, you may also suggest a topic on your own from the field of “Economic Policy”.
3. A list of all successfully attended courses thus far, including your grades. Please send a PDF-File.

The seminar topics will be assigned according to indicated preferences. If several applicants choose the same topic, the topic is assigned by lot. Each topic will be assigned only once. The maximum number of participants is 12. Applicants who do not receive a topic are put on a waiting list and can join the seminar if slots become vacant.

Application deadline is August 30, 2019. Applications are accepted beginning now. Applicants will be notified whether or not their application was successful by September 15, 2019 and – in case of success – will also receive their assigned topic.

Successful applicants must register for the seminar in *unisono* (sign up for the examination!) until September 30, 2019. Only timely registration in *unisono* guarantees your participation in the seminar; failure to register until September 30, 2019 will result in the loss of your place. To complete the application process, you have to present a copy of your *unisono*-registration at our chair. Please note that your registration to the course in *unisono* is binding and that it is not possible to unregister.

Registration for the seminar without an assigned topic will result in failure (grade 5.0), so **do not register for the seminar without having been assigned a topic!**

Please note the guidelines for application, registration, and examination regarding seminars (in German only): <https://pafak3.wiwi.uni-siegen.de/info/pruefungen/seminare/>

Procedure of the Seminar

The seminar begins on October 15, 2019, 19h s.t. (room tba) with a compulsory introductory meeting. In this meeting, all necessary information regarding supervision, writing the thesis, and plagiarism will be discussed. Failure to participate in the introductory meeting will result in immediate failure of the whole seminar, i.e. absent participants will receive the grade 5.0 for the whole of the seminar.

The seminar thesis must be submitted no later than December 20, 2019.

Each participant must submit two printed copies of the seminar thesis at our chair (office of Ms Arndt) or in our postbox near the Dean’s office on the ground floor of Unteres Schloß. Participants must also send a **single** PDF-file containing the thesis to LSHefeker@uni-siegen.de. The PDF-file must be identical to the submitted printed copies.

The seminar will take place on January 17-18, 2020, 8:30h-18h (room US-A 017).

Please note also the information on the seminar homepage:

https://www.wiwi.uni-siegen.de/ewp/readings/ws_2019_2020/copy_of_seminar_development_economics_summer2019.html?lang=de

Deadlines and due dates

As of now	Begin of the application period
August 30, 2019	End of the application period
September 15, 2019	Assignment of topics
September 30, 2019	End of the registration period in <i>unisono</i> (Do not register if you do not have a topic!)
October 15, 2019	Compulsory introductory meeting (19h s.t. – 20h, US-A 234)
December 20, 2019	Submission deadline for the thesis, both printed and electronic copies
January 17-18, 2020	Seminar (8:30h – 18h, room US-A 017)

Topics

These sources are only a starting point. We expect you to identify and use further literature relevant to your topic!

1. Cyclicalities of Fiscal Policies

Alesina, A., G. Tabellini, and F. Campante (2008) "Why is fiscal policy often procyclical?", *Journal of the European Economic Association*, Vol. 6 (5), pages: 1006-1036, <https://doi.org/10.1162/JEEA.2008.6.5.1006>.

2. The Taylor-Rule

Henderson, D. W. and W. J. McKibbin (1993) "A comparison of some basic monetary policy regimes for open economies: Implications of different degrees of instrument adjustment and wage persistence", *Carnegie-Rochester Conference Series on Public Policy*, Vol. 39, pages: 221–318, [https://doi.org/10.1016/0167-2231\(93\)90011-K](https://doi.org/10.1016/0167-2231(93)90011-K).

Taylor, J. B. (1993) "Discretion versus policy rules in practice", *Carnegie-Rochester Conference Series on Public Policy*, Vol. 39, pages: 195–214, [https://doi.org/10.1016/0167-2231\(93\)90009-L](https://doi.org/10.1016/0167-2231(93)90009-L).

3. Economic Policy Implementation

Benigno, P. and M. Woodford (2003), Optimal Monetary and Fiscal Policy: A Linear-Quadratic Approach, in Gertler and Rogoff (ed.): *NBER Macroeconomics Annual 2003, Volume 18*.

Benigno, P. and M. Woodford, 2007. "Optimal Inflation Targeting under Alternative Fiscal Regimes," *Central Banking, Analysis, and Economic Policies Book Series*, in: Frederic S. Mishkin & Klaus Schmidt-Hebbel & Norman Loayza (Series Editor) & Klaus Schmidt-Hebbel (Se (ed.), *Monetary Policy under Inflation Targeting*, edition 1, volume 11, chapter 3, pages 037-075 Central Bank of Chile.

4. Quantitative Easing and Currency Wars I

Fratzcher, M., M. Lo Duca and R. Straub (2019) "On the international spillovers of US quantitative easing", *The Economic Journal*, pages: 128: 330-377, <https://doi.org/10.1111/econj.12435>.

5. Quantitative Easing and Currency Wars II

Blanchard, O. (2017) "Currency wars, coordination, and capital controls", *International Journal of Central Banking*, Vol. 13 (2), pages: 283-308, <http://www.ijcb.org/journal/ijcb17q2a8.pdf>.

6. Optimal Tariffs, Retaliation, and the Welfare Loss from Tariff Wars

Felbermayr, G., B. Jung and M. Larch (2013) "Optimal tariffs, retaliation, and the welfare loss from tariff wars in the Melitz model", *Journal of International Economics*, Vol. 89 (1), pages: 13-25, <https://doi.org/10.1016/j.jinteco.2012.06.001>.

7. Exchange Rates: Trilemma or Dilemma?

Anaya, P. and M. Hachula (2016) "The dilemma or trilemma debate: Empirical evidence", *DIW Roundup 95*.

Georgiadis, G. and A. Mehl (2015) "Trilemma, not dilemma: Financial globalisation and monetary policy effectiveness", *Globalization and Monetary Policy Institute Working Paper No. 222*, <https://doi.org/10.24149/gwp222>.

Rey, H. (2015) "Dilemma not trilemma: The global financial cycle and monetary policy independence", *CEPR Discussion Papers 10591*, https://www.cepr.org/active/publications/discussion_papers/dp.php?dpno=10591.

8. Capital Controls

Benigno, G., H. Chen, C. Otrok, A. Rebucci and E. R. Young (2016) "Optimal capital controls and real exchange rate policies: A pecuniary externality perspective", *Journal of Monetary Economics*, Vol. 84 (C), pages: 147-165, <https://doi.org/10.1016/j.jmoneco.2016.10.004>.

Heathcote, J. and F. Perri (2016) "On the desirability of capital controls", *IMF Economic Review*, Vol. 64 (1), pages: 75-102, <https://doi.org/10.1057/imfer.2016.7>.

9. Global Imbalances

Blanchard, O. and G. M. Milesi-Ferretti (2012) "(Why) should current account balances be reduced?", *IMF Economic Review*, Vol. 60 (1), pages: 139-150, <https://www.jstor.org/stable/pdf/41427965.pdf>.

10. International Trade Balances

Dekle, R., J. Eaton and S. Kortum (2007) "Unbalanced trade", *American Economic Review*, Vol. 97 (2), pages: 351-355, <https://doi.org/10.1257/aer.97.2.351>.

11. Firms and Labour Market

Ayyagari, M., Demircuc-Kunt, A., & Maksimovic, V. (2014). Who creates jobs in developing countries?. *Small Business Economics*, 43(1), 75-99, <https://link.springer.com/content/pdf/10.1007/s11187-014-9549-5.pdf>

Coşar, A. K., Guner, N., & Tybout, J. (2016). Firm dynamics, job turnover, and wage distributions in an open economy. *American Economic Review*, 106(3), 625-63, <https://www.nber.org/papers/w16326.pdf>

Haltiwanger, J., Jarmin, R. S., & Miranda, J. (2013). Who creates jobs? Small versus large versus young. *Review of Economics and Statistics*, 95(2), 347-361, https://doi.org/10.1162/REST_a_00288

12. International Trade and Enterprises

Markusen, J. R. (1995). The boundaries of multinational enterprises and the theory of international trade. *Journal of Economic perspectives*, 9(2), 169-189,

<https://www.jstor.org/stable/pdf/2138172.pdf>

Matlay, H., Ruzzier, M., Hisrich, R. D., & Antoncic, B. (2006). SME internationalization research: past, present, and future. *Journal of small business and enterprise development*. 13(4), 476-497,

<https://doi.org/10.1108/14626000610705705>

Oparaocha, G. O. (2015). SMEs and international entrepreneurship: An institutional network perspective. *International Business Review*, 24(5), 861-873,

<https://doi.org/10.1016/j.ibusrev.2015.03.007>

13. International Migration

Borjas, G. J. (1989). Economic theory and international migration. *International migration review*, 23(3), 457-485, <https://www.jstor.org/stable/pdf/2546424.pdf>

Docquier, F., & Rapoport, H. (2012). Globalization, brain drain, and development. *Journal of Economic Literature*, 50(3), 681-730, <https://www.jstor.org/stable/pdf/23270475.pdf>

14. Promotion of renewable energies

Menanteau, P., D. Finon and M.-L. Lamy (2003) "Prices versus quantities: choosing policies for promoting the development of renewable energy", *Energy Policy*, Vol. 31 (8), pages: 799-812,

[https://doi.org/10.1016/S0301-4215\(02\)00133-7](https://doi.org/10.1016/S0301-4215(02)00133-7).

15. Environmental Protection and Lobbying

Anger, N., E. Asane-Otoo, and C. Böhringer (2016), Public interest versus interest groups: a political economy analysis of allowance allocation under the EU emissions trading scheme, *International Environmental Agreements: Politics, Law and Economics*, 16 (5), pages: 621-638.

<https://link.springer.com/content/pdf/10.1007%2Fs10784-015-9285-6.pdf>

Fredriksson, P. G. (1997), The Political Economy of Pollution Taxes in Small Open Economies, *Journal of Environmental Economics and Management*, No. 33, pages: 44-58.

<https://doi.org/10.1006/jeem.1996.0979>

Gullberg, A. T. (2008), Rational Lobbying and EU Climate Policy, *International Environmental Agreements: Politics, Law and Economics*, 8 (2), pages: 161-178.

<https://link.springer.com/article/10.1007/s10784-008-9067-5>